their traffic to the one tandem location in order to serve all their customers in the entire LATA. To provide local service to all customers in a LATA, including small businesses and residential customers, a facilities-based CLEC must collocate in every end office within the LATA, build fiber to every building, or obtain line-of-sight microwave to every customer premise. To provide universal coverage in LATA 132 that covers the New York State portion of the New York metropolitan area would require collocation in 195 end offices.

38. To provide universal coverage for all customers within a LATA, a CLEC must also buy unbundled local loops for all of its customers from the relevant ILEC. A CLEC must then connect each unbundled loop to its network. It must also develop adequate testing procedures and purchase testing equipment integrated with the digital loop carrier and switch to isolate trouble on its network from problems with the local loop.

39. Long-distance networks are marked by significant economies of scale (declining average costs) and utilize capital resources very efficiently. The transport and switching capacity of a long-distance network is designed to minimize idle time because of the inherently shared nature of these resources. Each additional minute on a long-distance network significantly reduces the per-unit cost of providing long-distance service.

40. By contrast, there are non-trivial incremental capital costs associated with local networks not present with long-distance networks in addition to considerable upfront fixed costs. Each additional line on a CLEC's network requires at least $100 in additional capital expenditure associated with line cards either in the digital loop carrier or the switch that convert analog signals to digital. If any enhanced service other than POTS is required, the additional capital cost could be as high as $250 per line. This asset as well as the unbundled loop is a dedicated (not shared) resource for a single customer that remains idle when not in use.

41. Wireless local networks such as Sprint Spectrum are also inherently different from local wireline networks. Although provision of wireless services requires significant upfront capital, the barriers to entry are significantly lower than local wireline services. A wireless carrier can build and launch a completely ubiquitous service covering a large city in less than two years. Sufficient cell sites (200) and one switch at a cost of approximately $100 million can have the same potential customer reach of a wireline network that costs billions of dollars. Another distinguishing factor is the fact that wireless assets (cell sites) do not remain idle to the extent the landline network does.

Section VI

As a company with a large share of small-business and residential customers, LCI needs an economically viable Unbundled Network Element Platform ("UNE-P") to provide local services to the majority of its customers in the state of New York.

42. As a company with a large share of small-business and residential customers, LCI needs the Unbundled Network Element Platform to provide local services to the majority of its customers in the state of New York.

43. Over half of LCI's commercial customers in the state of New York generate less than fifty dollars ($50) in monthly revenues. Roughly 66% of LCI's residential customers in the state of New York generate less than twenty-five dollars ($25) in monthly revenues. It is not economically viable to develop local facilities either by collocating where its customers are or by BA-NY's Extended Link to serve these customers. Most CLECs are not even collocated in the majority of end offices in the state of New York that serve LCI's long-distance customers. Using a CLEC as a carriers' carrier is not a feasible option for LCI to serve its customers.

44. Jocelyn Rogers, who works for me as Manager of Business Analysis, has identified several minimum requirements for an economically viable UNE-P that will allow LCI to serve its customers profitably. The minimum requirements according to her analysis are: all UNE components must be set at TELRIC rates; non-recurring charges must be equated to true cost; the carrier employing the UNE-P must be allowed to charge for access; glue charges should be negligible (if any); no collocation should be required; and there must be true common (shared) transport capability.

45. Ms. Rogers' analysis shows that an UNE-P that meets the criteria outlined above would permit LCI to serve its representative small-business and residential customers profitably, generating net income of roughly four percent (4%) for a typical business customer and one percent (1%) for a representative residential customer. In contrast, under the proposal put forth by BA-NY and the Public Service Commission of New York ("PSC"), LCI could not serve these customers because even under the most favorable scenario, net income would be minus five percent (-5%) for business customers and minus eleven percent (-11%) for residential customers.

46. The PSC's proposed geographic, customer-segment, and time limitations for UNE-P would effectively preclude LCI from providing local service to its small-business and residential customers. Indeed, unless an UNE-P that meets the criteria outlined in paragraph 44 above, is made available to LCI indefinitely, it cannot provide local services to its U.S. customers and small business except through resale, which is also unprofitable.

47. Resale of BA-NY local services is unprofitable due to the low discount of 19% that BA-NY provides to resellers. The provision of local services (even as a reseller) is high in sales, general and administrative expenses. The low resale discount (and the accompanying loss

from resale) means that LCI must effectively subsidize its customers if they are to enjoy the benefits of competitive choice.

48. In summary, LCI cannot economically serve its significant base of small-business and residential customer by building local facilities, leasing or reselling CLEC facilities, or through the resale of BA-NY services. Only a true cost-based UNE-P available without geographic and time limitations will ensure that these customers can enjoy the benefits of competition in the local telephony marketplace.

The information contained in this affidavit is based on my personal knowledge and is true and correct to the best of my knowledge and belief.

Timothy J. Burke

Subscribed and sworn to before me this 22 day of March, 1998.

NOTARY PUBLIC

My commission expires:

My Commission Expires February 28, 2001

Appendix A

914 644-4841 Fax 914 422-0919

March 5, 1998

Ms Anne K. Bingaman
President Telecomm Div
LCI International
8180 Greensboro Drive Suite 800
McLean, VA 22102

Dear Ms Bingaman:

As a collocation update and in compliance with New York P.S.C. No. 918 Access Service Tariff, please find attached a Bell Atlantic New York Collocation Status (As of 2/98).

P.S.C. No. 918 Access Services Tariff requires that "when a collocated interconnection node is implemented in an end office or access tandem, the Telephone Company will provide written notification to all access customers of record within the particular end office or access tandem, that its Access Bill will be converted to the above Tandem Interconnection/Common/ Dedicated rate structure."

If you have any questions, please contact your Bell Atlantic Account Manager.

Sincerely,

Attachment

FT

COLLOCATION STATUS AS OF 2/98

CO	CO CLLI	Date
2ND AVE	NYCMNY13	10/95
ALBANY/STATE	ALBYNYSS	8/96
AMHERST	AMHRNYMP	3/97
BRIDGE ST	NYCKNYBR	4/92
BROAD ST	NYCMNYBS	6/91
BUFFALO/FRANKLIN	BFLONYFR	7/95
CENTRAL ISLIP	BRWDNYBW	1/92
CORONA	NYCQNYCO	10/97
E 30 ST	NYCMNY30	6/94
E 37 ST	NYCMNY37	8/91
E 56 ST	NYCMNY56	4/92
GARDEN CITY	GRCYNYGC	5/92
GREAT NECK	GRNKNYGN	10/97
HEMPSTEAD	HMPSNYHS	9/97
JAMAICA	NYCQNYJA	1/93
MINEOLA	MINLNYMI	9/97
PLAINVIEW	PLVWNYPV	10/97
PLEASANTVILLE	PSVLNYPV	8/97
PORTCHESTER	PTCHNYPC	7/97
SUFFERN	SFRNNYSU	7/97
SYRACUSE/STATE	SYRCNYSU	12/96
W 18 ST	NYCMNY18	1/93
W 36 ST	NYCMNY36	11/92
W 42 ST	NYCMNY42	9/92
W 50 ST	NYCMNY50	8/92
W STATEN ISLAND	NYCRNYWS	7/96
WEST ST	NYCMNYWS	6/91
WESTBURY	WBYNNYWE	10/97
WHITE PLAINS	WHPLNYWP	9/94
WILLIAMSBURG	NYCKNYWM	1/97
WILLIAMSVILLE	WSVLNYNC	3/97

NY state Central Office with Collocation

Appendix B

Analysis of End Offices with Collocation in LATA 132

End Office	Total Lines	Business Lines*	Residential Lines*
BRWDNYBW	59,865	21,251	38,614
GRCYNYGC	31,140	11,054	20,086
GRNKNYGN	37,274	13,231	24,043
HMPSNYHS	69,719	24,749	44,970
MINLNYMI	63,851	22,665	41,186
NYCKNYBR	134,885	47,881	87,004
NYCKNYWN	54,278	19,268	35,010
NYCMNY13	171,949	120,364	51,585
NYCMNY18	218,893	153,004	65,889
NYCMNY30	120,584	84,409	36,175
NYCMNY36	104,892	73,433	31,459
NYCMNY37	146,894	102,888	44,006
NYCMNY42	114,093	79,868	34,225
NYCMNY50	155,118	108,282	46,836
NYCMNY56	201,394	140,978	60,416
NYCMNYBS	132,044	92,431	39,613
NYCMNYWS	190,126	133,088	57,038
NYCQNYCO	32,149	11,412	20,737
NYCQNYJA	70,437	25,084	45,353
NYCRNYWS	41,904	14,875	27,029
PLVMNYPV	11,345	4,027	7,318
PSVLNYPV	20,611	7,316	13,295
PTCHNYPC	31,445	11,162	20,283
SFRNNYSU	15,829	5,619	10,210
WBYNNYWE	33,380	11,693	21,687
WHPLNYWP	91,124	32,347	58,777
All End Offices with Collocation (26)	2,355,672	1,373,214	982,458
NCY End Offices with Collocation (16)	1,890,079	1,207,938	682,141
Manhattan End Offices with Collocation (10)	1,556,428	1,089,496	466,928

Analysis of End Offices with Collocation in LATA 132

Percent of Business Lines in LATA 132 Covered by Collocation	**37%**
Percent of Residential Lines in LATA 132 Covered by Collocation	**22%**
Percent of Business Lines in NYC Covered by Collocation	**44%**
Percent of Residential Lines in NYC Covered by Collocation	**28%**
Percent of Business Lines in Manhattan Covered by Collocation	**87%**
Percent of Residential Lines in Manhattan Covered by Collocation	**87%**

Notes: The number of total switched access lines served by the end offices was obtained from ARMIS data reported by NYNEX.

Letter from Rosemary Dresch at Bell Atlantic identified the end offices with collocation.

There are five end offices with collocation outside LATA 132 in New York State.
End offices outside LATA 132 are not included in this analysis.
CLEC collocation coverage outside LATA 132 is likely to be significantly worse than for LATA 132.

*The total switched access lines in an end office was divided into business and residential lines by assuming that 70% of lines in Manhattan are business lines and 35% of lines in all other end offices are business lines. Thirty-five percent is the statewide proportion.

NEW YORK STATE
PUBLIC SERVICE COMMISSION

Petition of New York Telephone Company for Approval of its Statement of Generally Available Terms and Conditions (§ 252) and Draft Filing of Petition for InterLATA Entry (§ 271)	Case No. 97-C-0271

AFFIDAVIT OF THERESA STROMBOTNE

I, Theresa Strombotne, do hereby declare and state:

1. I am currently employed by LCI as Senior Manager of its Local Service Information Systems. I have over 18 years experience in the design, development, testing and implementation of information systems. I have been employed by LCI for eight years, working on telecommunications order entry, call processing and billing systems. I joined LCI's Local Service Division in August 1996 and have been responsible since that time for working on the design, development, testing and implementation of OSS interfaces for LCI.

2. During the last 19 months, LCI has put into production application-to-application ("app-to-app") EDI resale ordering interfaces with Ameritech and BellSouth, an electronic resale pre-ordering interface with Ameritech, and electronic billing interfaces for resale with Ameritech, Bell Atlantic North, Bell Atlantic South, BellSouth and Pacific Bell. LCI has also implemented resale GUI preordering and ordering interface systems with Bell Atlantic New York ("BA-NY") and BellSouth. LCI is currently testing EDI ordering interfaces for resale with BA-NY and Bell Atlantic South.

3. LCI's development of these resale OSS interfaces has been extremely costly and time-consuming. For example, LCI has been working with BA-NY since May 1997 to design, develop, test and implement BA-NY's resale EDI ordering interface. During these ten months, BA-NY has changed the version of its EDI interface four times. LCI has encountered numerous problems that have delayed its ability to develop and implement an app-to-app EDI interface with BA-NY. These problems, which were detailed in an affidavit of Wayne M. Charity that LCI submitted to the New York Public Service Commission in connection with the Technical Conference in December 1997, include, among other things, incomplete and inadequate documentation; incomplete and inadequate technical specifications and business rules; the lack of electronic flow-through for test orders; no written certification requirements; and no support for certain OBF standard order types, including "assume as specified" orders.

4. LCI has participated in the New York PSC collaborative on BA-NY's OSS for unbundled network elements ("UNEs"). While LCI is hopeful that some of the significant problems that it has encountered with BA-NY's resale OSS will be remedied by BA-NY as a result of the collaborative, the process of developing and implementing an app-to-app EDI interface for the UNE Platform will unquestionably represent a significant development effort for LCI in terms of cost and time.

5. I understand that the New York PSC staff is proposing that BA-NY only be obligated to offer the UNE Platform only in selected areas in New York, and then only for periods of zero or three or five years, depending on the type of customer and geographic location. Based on my experience in developing and implementing EDI OSS interfaces, I believe it is unlikely that LCI would be able to recover its cost of developing

the interfaces that would support all of the OSS functions with respect to the UNE Platform – pre-ordering, ordering, maintenance and repair, and billing – if it is not able to sell telecommunications services via the UNE-Platform to any businesses in New York City, and is only able to sell the residential and small business customers outside New York City for three to five years, depending on geographic location.

6. The following is a general description of what LCI would be required to undertake to design, develop and implement the OSS interfaces for the UNE Platform with BA-NY:

(a) DESIGN OF INTERFACES

LCI would have to design new interfaces for the following new functionality:

- UNE-Platform Elements
- Directory Assistance
- E911 services
- Operator services
- LIDB interfaces
- Service Provider Number Portability
- Collocation
- End office integration
- Advanced Intelligent Network access
- Network Interface device

These interfaces would not be similar to BA-NY's interfaces for local service resale for several reasons. Documentation describing BA-NY's UNE interfaces to date have described different order formats, content and communications protocols. Also, the detailed service data required to order UNEs is different than the data to order switched resale services. Additionally, detailed equipment information must be supplied. It is expected that the format of the interfaces, the communications protocols and the method of accessing BA-NY interfaces will all require significant new systems design effort.

(b) DESIGN OF LCI'S INTERNAL SYSTEMS

LCI will need to develop new systems and databases to support the ordering of UNEs., which are described briefly below.

(1) New databases will need to be developed to contain facilities and equipment characteristics and location information, describe facilities ownership, describe facilities maintenance responsibilities (who is responsible for fixing what when something goes wrong) and display facilities availability at central offices and end offices. New databases will be needed to track the use of the acquired facilities, and project the need to order additional facilities to keep up with demand. New databases will be needed to associate equipment information with individual customers. New databases will be required to store LIDB, 911, and number portability information. New databases will needed to store customer routing and setup information.

(2) New front end user interface screens will need to be designed to allow the entry of all the new data fields and values collected in the analysis phase. This will include screens to enter basic support data such as equipment types, loop types, and services available at each central office and end office. New front end interfaces will need to be designed to display facilities maintenance responsibilities.

(3) New systems will need to be developed to bulk load data provided in electronic form by BA-NY, where available, and to update this data on a periodic basis, as updates are provided by BA-NY. New systems will need to be developed to format ordering information in the many different formats required by each type of UNE-Platform to be ordered. New maps will have to be designed to translate that information into EDI format. New systems will need to be designed to communicate

problems with facilities to BA-NY, and to request testing, maintenance and resolution of these problems.

(4) New systems will need to be designed to read BA-NY's invoices for UNEs, and to validate those invoices against the facilities and equipment actually ordered. Systems must be designed to send invoice dispute information to BA-NY, and to research BA-NY invoices to ensure that disputes are credited on future invoices.

(c) DESIGN OF LCI'S INTERNAL PROCESSES

LCI will need to design and establish internal processes to support the following areas:

- Ordering the UNE platform elements
- Pre-order validation of UNE platform elements ordered
- Order confirmation and due date processes
- Order jeopardy processes
- Order escalation processes
- Change order processes
- Disconnect order processes
- Trouble notification processes
- Trouble resolution processes
- Trouble escalation processes
- Engineering of the initial UNE platform ordered
- Engineering of additions to the UNE platform ordered
- Engineering of interconnections with other carriers
- Invoice validation processes
- Invoice dispute processes
- Settlements processes for origination and termination of calls from other carriers.
- Systems operation processes

(d) DESIGN OF TEST PLAN

LCI will need to design a test the ordering of the UNE-Platform. The test plan will need to verify that systems, LCI internal processes, and BA-NY processes support new orders, change orders and disconnect orders, from initial service availability screening, to ordering to service turnup, to problem notification and correction, to correct billing, and to service disconnect. The test plan will need to verify that the system and processes work as documented, and that the documented system or process actually result in the desired service being turned up, modified or disconnected, as specified on the order. The test plan must have a method for measuring that each requirement (system or business rule) is tested, and that the actual results match the expected results. The test plan must have a method for reporting test discrepancies, and tracking the discrepancies to ensure they are resolved. The test plan must ensure that each test is determined to be material to the successful completion of an order. The test plan must also measure the performance of the test.

(e) TESTING

After new systems and enhancements to existing systems are identified, designed, developed, unit tested and system tested at LCI, integration testing with BA-NY systems is still necessary to ensure accuracy and completeness of functionality, communications, processes and procedures. Each problem found must be reported and described, assigned to the responsible party, corrected and retested, until no material problems remain.

7. In summary, the efforts set forth above are substantial, and will require considerable time and expense to LCI. It is unlikely that LCI could justify economically the expense of these efforts if the UNE-Platform will only be available to it in limited

geographic areas, only for certain limited customers, and will cease to be available altogether in three to five years.

IN THE STATE OF OHIO)

IN THE CITY OF DUBLIN)

The information contained in this affidavit is based on my personal knowledge and is true and correct to the best of my knowledge and belief.

Theresa L. Strombotne

Subscribed and sworn to before me this 23rd day of March, 1998.

NOTARY PUBLIC

SHERRI L. ROMMELMANN, ATTORNEY AT LAW
NOTARY PUBLIC, STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

My commission expires:

NA

** TOTAL PAGE.008 **

** TOTAL PAGE.32 **